

ABSTRACT**METHOD AND SYSTEM FOR EVALUATING INTERNAL BUSINESS INVESTMENTS
BY ESTIMATING DECISION-FACTOR VARIATIONS**

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A method and system for evaluating internal business investments by estimating decision-factor variations provides a powerful decision-making tool for deciding whether or not to invest in a particular internal business option or for selecting between business investment alternatives. The investment may be a capital investment, a program investment, personnel investment or other business strategy. Variations in cost, benefit, strategic alignment and risk values input to the business decision tool are used to adjust the business value of a business case. The variations can be estimated from data gathered from surveys of personnel rating a confidence or perceived variation from the input values, variations may be estimated in the computed business value due to interdependencies to other adopted or non-adopted business cases, or variations may be estimated based on actual historical collected data on business case performance. Statistical analysis, including real options analysis and/or efficient portfolio analysis can be used to provide a visual or other tool to a system user in order to evaluate multiple business cases.

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